



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 5/5/2003

GAIN Report #E23067

European Union

Agricultural Situation

EU Agricultural Budget

2003

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Report Highlights:

The 2003 EU budget is the last for the EU-15. Total appropriations for FY 2003 are set at 40 billion Euros for CAP market measures and 4.7 billion Euros for rural development.

Includes PSD changes: No
Includes Trade Matrix: No
Unscheduled Report
Brussels USEU [BE2], E2

FY 2003 EU Agricultural Budget

The 2003 EU budget is the last for the EU-15. Appropriations for 10 new member states will be included in the 2004 budget. Total appropriations for FY 2003 are set at 40 billion EUR for CAP market measures and 4.7 billion EUR for rural development (agri-environment, early retirement, afforestation and compensatory allowances in less favored areas). The agricultural budget represents approximately 50 percent of the total EU budget. The most notable changes compared to FY 2002, which mainly reflect the anticipated strengthening of the Euro against the dollar, can be seen in the dairy (+ 760 million), livestock (sheepmeat + 1.1 billion; beef and veal + 309 million) and sugar (+ 81 million) sectors. Changes to CAP measures made within the Mid-Term Review will only apply from the 2004 budget onwards. A breakdown of the 2003 appropriations by category is shown in tables 1 through 7.

FY 2003 FINAL EU AGRICULTURAL BUDGET			
TABLE 1 - EAGGF GUARANTEE SECTION Million Euro	APPROPRIATIONS		ACTUAL
	2003	2002	2001
PLANT PRODUCTS			
Arable Crops	16,790	17,916	17,466
Sugar	1,482	1,401	1,497
Olive Oil	2,341	2,366	2,524
Dried Fodder & Grain Legumes	389	385	375
Fiber Plants & Silkworms	908	956	826
Fruit & Veggies	1,609	1,650	1,552
Products of the Vine-Growing Sector	1,381	1,392	1,197
Tobacco	973	983	973
OTHER PLANT SECTORS OR PRODUCTS			
Seeds	110	110	103
Hops	13	12	12
Rice	180	178	182
TOTAL PLANT PRODUCTS	26,176	27,349	26,707
ANIMAL PRODUCTS			
Milk & Milk Products	2,672	1,912	1,906
Beef/Veal	8,404	8,095	6,054
Sheepmeat/Goatmeat	1,805	672	1,447
Pigmeat	89	70	70
Eggs/Poultrymeat	99	78	60
Aid for Bee-keeping	16	16	12
European Fisheries Guarantee Fund	14	17	13
TOTAL ANIMAL PRODUCTS	13,099	10,860	9,562

Table 1 continued			
ANCILLARY EXPENDITURES	Appr. 2003	Appr. 2002	Actual 2001
Refunds on certain products obtained by processing ag products	415	415	436
Food programs & Refunds in connection with food aid	106	106	102
Distribution of ag products to deprived persons in the EU	200	200	180
Programs for the most remote regions	249	239	190
Veterinary & Plant Health Measures	187	569	565
Monitoring and preventive measures for EAGGF	48	57	32
Clearance of previous years' accounts	-500	-500	-570
Promotion Measures	67	79	49
Other Measures	18	261	470
TOTAL ANCILLARY EXPENDITURES	790	1,426	1,454
RURAL DEVELOPMENT & MONETARY RESERVE			
Rural Development	4,698	4,595	4,363
Monetary Reserve	-	250	-
TOTAL RURAL DEV. & MONETARY RES.	4,698	4,845	4,363
TOTAL EAGGF	44,762	44,481	42,086

TABLE 2: EU EXPORT REFUNDS FOR COMMERCIAL EXPORTS (million Euro)			
BREAKDOWN OF TABLE 1	APPROPRIATIONS		ACTUAL
	2003	2002	2001
Wheat & Flour	1	12	106
Barley & Malt	21	-	33
Durum, Durum Flour, Groats & Meal	-	-	1
Other Cereals	82	68	120
Sugar & Isoglucose	1,257	1,190	1,008
Olive Oil	-	-	-
Fresh Fruit and Vegetables	30	35	36
Processed Fruit and Vegetables	8	8	15
Products of the vine-growing sector	25	25	22
Rice	32	32	39
Butter & Butter oil	420	323	336
Skimmed Milk Powder	176	41	82
Cheese	275	225	236
Other Milk Products	697	388	453
Beef/Veal	534	488	363
Pig meat	78	70	55
Eggs	8	8	9
Poultry meat	91	70	52
TOTAL	3,735	2,983	2,944
REFUNDS ON CERTAIN GOODS OBTAINED BY PROCESSING AGRICULTURAL PRODUCTS			
Cereals & Rice	20	67	61
Spirituos Beverages	1	1	2
Sugar & Isoglucose	156	193	180
Skimmed Milk & Other Milk Products	142	64	102
Butter	90	86	88
Eggs	6	4	5
Other Ag Products	-	-	-
TOTAL	415	415	438
GRAND TOTAL	4,150	3,398	3,382

TABLE 3: EU EXPORT REFUNDS FOR FOOD AID (million ECU)			
BREAKDOWN OF TABLE 1	APPROPRIATIONS		ACTUAL
	2003	2002	2001
Cereals	1	1	4
Rice	12	12	1
Sugar	2	2	1
Milk Powder	1	1	1
GRAND TOTAL	16	16	7

TABLE 4: EU STORAGE COSTS FOR INTERVENTION (million Euro)			
BREAKDOWN OF TABLE 1	APPROPRIATIONS		ACTUAL
	2003	2002	2001
Cereals	183	263	223
Sugar	-	16	281
Wine & Grape Must	67	63	62
Rice	25	27	34
Skimmed Milk Powder	11	-	-
Butter & Cream	27	8	10
Beef/Veal	35	207	59
Sheep meat/Goat meat	-	8	-
GRAND TOTAL	348	592	669

TABLE 5: DIRECT PAYMENTS (million Euro)			
BREAKDOWN OF TABLE 1	Appropriations		Actual
	2003	2002	2001
ARABLE CROPS			
Per hectare aid for arable crops (small producers)	3,647	3,927	3,804
Per hectare aid for arable crops (large-scale producers) and aid for durum wheat	10,990	11,683	11,395
Set-aside	1,581	1,661	1,536
TOTAL ARABLE CROPS	16,218	17,271	16,735
OLIVE OIL			
Production aid & related schemes related to production of olive oil	2,278	2,298	2,469
TOTAL OLIVE OIL	2,278	2,298	2,469
DRIED FODDER & GRAIN LEGUMES			
Production aid for dried fodder	317	313	306
Production aid for grain legumes	72	72	69
TOTAL DRIED FODDER & GRAIN LEGUMES	389	385	375
FIBRE FLAX & HEMP			
Production aid for fibre flax	-	-	82
Production aid for hemp	-	-	11
TOTAL FIBRE FLAX & HEMP	-	-	93
FRESH FRUIT & VEGETABLES			
Compensation for withdrawals & buying in	134	143	117
Operational funds for Producer Organizations	405	386	343
Specific measures for hazelnuts producers	1	-	6
Nuts	35	45	118
TOTAL FRESH FRUIT & VEGETABLES	575	574	584
PROCESSED FRUIT & VEGETABLES			
Production aid for processed tomato products	279	285	223
Production aid for fruit-based products	86	83	71
Production aid & intervention for processed dried grape products	112	127	113

Table 5 continued	Apppr. 2003	Apppr. 2002	Actual 2001
Compensation to encourage processing of citrus fruits	249	231	170
TOTAL PROCESSED FRUIT & VEGETABLES	726	726	577
TOBACCO			
Premiums for tobacco	956	970	964
TOTAL TOBACCO	956	970	964
RICE			
Per hectare aid	118	114	113
TOTAL RICE	118	114	113
BEEF/VEAL			
Suckler cow premiums	2,060	1,880	1,705
Additional premiums for suckler cows	97	97	72
Special premiums	1,967	1,788	1,530
Slaughter premiums bovine animals	1,710	1,184	494
Extensification premiums	1,018	891	914
Exceptional support measures	344	390	246
Compulsory slaughter program	100	75	55
Additional payments	483	322	148
Other intervention	100	466	212
TOTAL BEEF & VEAL	7,879	7,093	5,375
SHEEP MEAT & GOAT MEAT			
Ewe and goat premiums	1,346	535	1,095
TOTAL SHEEP- & GOAT MEAT	1,346	535	1,095
GRAND TOTAL	30,485	29,966	28,380

APPROPRIATIONS OUTSIDE EAGGF: structural operations, financial mechanism, other agricultural and regional operations, transport and fisheries

TABLE 6: STRUCTURAL FUNDS (million Euro)			
OBJECTIVE 1: European Agricultural Guidance and Guarantee Fund (EAGGF), Financial Instrument for Fisheries Guidance (FIFG), European Regional Development Fund (ERDF), European Social Fund (ESF), Completion of earlier programs.			
	Commitments 2003	Commitments 2002	Outturn 2001
EAGGF GUIDANCE SECTION	2,755	2,630	2,502
FIFG	392	387	382
OTHER STRUCTURAL MEASURES OUTSIDE OBJECTIVE 1 AREAS			
FIFG	172	169	159
INNOVATORY MEASURES AND TECHNICAL ASSISTANCE The innovatory measures include studies, pilot projects and exchanges of experience. Technical assistance covers preparatory, monitoring, evaluation and supervision measures.			
EAGGF		7	-
FIFG		3	1
SPECIFIC STRUCTURAL OPERATIONS IN THE FISHERIES SECTOR			
	12	170	-
TOTAL EAGGF & FIFG	3,340	3,366	3,044

TABLE 7: APPROPRIATIONS OUTSIDE EAGGF	COMMITMENTS (in million Euro)		
	2003	2002	Outturn 2001
STRUCTURAL FUNDS			
EAGGF & FIFG	3,340	3,366	3,044
Other Ag Operations	42	55	50
Other measures concerning Fisheries	68	65	52
HUMANITARIAN AND FOOD AID			
Food Aid & Support	426	455	452
ADMINISTRATIVE COSTS			
Administrative costs (distributed as 53% percent total budget in FY 2003, 53% in FY 2002 and 53% in FY 2001)	1,849	1,815	1,689
PRE-ACCESSION STRATEGY			
Agriculture	564	555	540
TOTAL OUTSIDE EAGGF	6,289	6,311	5,827